THE IMPERIAL MONOPOLY IN INDIGO (1633-35)

By

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1. Introduction

In the Indian markets of the seventeenth century normal commercial transactions were based, as now, on open competition between buyers or sellers. But sometimes official intervention affected the course of markets as well as trade. Competition gave way to monopoly, co-operation to force. A Governor or his nominee would enter the market as the prospective trader in the sale and purchase of an article. Sometimes such action came to be justified on grounds of exigencies or needs of the state, and foreign merchants did not complain much against such monopolies, e. g., lead, saltpetre, copper etc., though they tried to evade them, as for example in the case of saltpetre. However, they did complain against two other kinds of monopoly, motivated by the profit of the state or its officials. Firstly, there was the practice of "engrossing" or monopolising of staple commodities like foodgrains, cotton goods, spices, indigo etc., in particular areas.[1] Secondly, there was the monopolistic developments of a more general nature. The imperial monopoly in indigo in 1633-35 belonged to the second category of objectionable monopolies. Moreland has devoted barely half a page, besides some incidental references, to this subject.[2] But it is possible to make an analytical study of its origin, working and failure in some detail on the basis of the English and Dutch factory records.[3] Nevertheless the picture obtained is admittedly incomplete in several respects.

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1. e. g. (i) Indigo monopoly by Governor of Ahmadabad in 1647,
   (ii) Spice monopoly in the East Coast,
   (iii) Unbleached cloth monopoly,
   (iv) Piece goods monopoly in Gujrat in 1641,
   (v) Food supplies engrossed in Surat in 1632,

   Moreland, *From Akbar to Aurangzeb*, 146-147 ; for Saltpetre monopoly, my article on *The Saltpetre Industry in the Seventeenth Century, I. H*
2. *Ibid.*, 148
3. Sir William Foster, *English Factories in India*, 1630-33 ; 1634-36, *Hague Transcripts* and *Daga Register*.

2. Origin of the Monopoly

(*i*) *Reasons*

Why did the Emperor establish a monopoly in indigo trade ? And why in 1633 ? Had it anything to do with the conquest of Ahmadnagar in June, 1633 ? Was it intended to replenish the treasury after the war ? A definite answer is perhaps not possible. A tentative answer is attempted here.

Indigo was an example of commercialised agriculture of seventeenth century India. Of the various articles of export from India to Europe in the seventeenth century, indigo at first occupied the first place in order of importance. The first European merchants in India, the Portuguese, the English and the Dutch eagerly coveted it. Sir Thomas Roe described indigo as "the prime commodity". Even as late as December, 1634, the English East India Company esteemed Indigo to be "the prime or principal commodity of all others".[4] Indigo trade was not only important but also highly profitable and it may reasonably be inferred that Shahjahan was impelled by the motive of profit in establishing the monopoly. There are certain incidental references in English factory records which seem to point to his financial exhaustion and cupidity.[5]

Had Anglo-Dutch commercial rivalry anything to do with it ? Undoubtedly there was a keen competition between the English and the Dutch. Captain Richard Allnutt abroad the *Palsgrave* at Swally informed the Company (Jan. 31, 1634) that he had heard from brokers that the "Hollanders" i. e. the Dutch entered into an agreement with Muizzulmulk (Mir Musa), Governor of Surat, to buy "all the indigo in the country at a certain price, provided that the English should not have any".[6] But from the letter of Methwold, the Surat President, to the Company (dated Dec. 29, 1634) it appears that his predecessor in office, Joseph Hopkinson, made an "overture" of a contract for indigo in imitation of

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4. Surat to Co. (Dec. 29, 1634) EF 1634-36, p. 69.
5. Kings miserableness EF......
"......the king is so basely covetous that all appearances of profit hoodwinked him so much that he cannot see those inconveniences which go hand in hand therewith" (i. e. monopoly) (Surat to Co. Dec. 29, 1634) EF. 1634-36 p. 72.
6. Swally to the Co., Jan. 31, 1634., EF. 1634-36., pp. 7-8.

the contracts in Persia, to Mezer Mulck (i. e. Muizzulmulk), Governor of Surat. Were the English actuated by the same motive of rivalry as the Dutch i. e. excluding the latter from the indigo trade ? Perhaps.

In any case it was Muizzulmulk, the Governor of Surat, who was the "first projector of this business to the King".[7] He had experience of monopolising food supplies in wheat at Surat just a year before, in 1632[8] and he now applied it in the case of indigo. Acting on his suggestion and in imitation of the Persian contracts in silk, Emperor Shahjahan set up his monopoly in indigo. As the English factors wrote that the Emperor "took that trade into his own hands, with the idea of forcing all merchants to buy from him at his own price, pay a year in advance and take whatever trash he might please to give them".[9]

(*ii*) *Form of the Monopoly*

Did the Emperor step into the trade in person directly ? No. He made a contract with a *bania*, named Manohar Das Danda,[10] who is spoken of in the English factory records as "the prime monopolist". According to its terms, (i) *firstly*, the *bania* was granted the sole right of buying all indigo grown in the kingdom in return for payment of Rs. 11,00,000 at the end of three years, i. e. Rs. 2 lakhs a year out of profit or 6 lakhs in three years and Rs. 5 lakhs by way of repayment of a loan.[11] (ii) *Secondly*, if the merchants refused to purchase from the *bania* and the indigo remained unsold, he would be exempted from making all payments except the debt i. e. he would pay only Rs. 5 lakhs. Comment-

7. EF. 1634-36, p. 70. Though Hopkinson (President, Dec. 29, 1631 died about the end of 1633) yielded to this contract shortly before his death, his successor, Methwold stood out against it. (Swally to Co, Jan. 31, 1634), EF. 1634-36, p. 7.

8. 'Are informed that wheat may be had at that place (Broach) for 4½ mahmudis or Rs. 2 [the maund of 40 seer, while at Surat it continues at double that price, owing to the Governor and one or two moneyed merchants engrossing the supply' (Surat to Broach & Baroda) Feb. 18, 1632, EF. 1630-33, p. 209.

9. Capt. Richard Allnutt, aboard the Palsgrave at Swally to the Company, Jan. 31 1634, EF. 1634-36, p. 7.

10. His name is given in English factory records variously as Munnodas Dunda, Munnoardas, Manoardas, which may be equated with Manohar Das Danda.

11. These figures of the English factory records is corroborated by Dutch records (1, 100, 200 and 500 respectively), where, however, the transcriber omits V (for thousand). In one place (No. 318) the total amount to be paid to the treasury is, however, mentioned as Rs. 1,000,000. The *Dagh Register* 1631-34 (p. 326) gives the price of the monopoly as 400,000, EF. 1630 33, p. 324 n.

ing on this agreement the English factors at Agra observed that "this is a very good bargain for the contractor, who cannot lose". They expected him surely "to make a good profit".[12] Their expectation was perhaps natural, but they proved to be false prophets.

3. Working of the Monopoly

The effects of the monopoly can be conveniently examined under five aspects—on the peasants, on the system of cultivation, on price, on the European companies and on the monopolists themselves. These would roughly describe how the monopoly affected the internal production, the markets, the export trade and help us to understand why it ultimately failed.

(a) *Effects on the Peasants*

The axe of the monopoly fell heavily on the cultivators consisting of the sturdy and resolute Rajputs, Jats, Ahirs and others. They were not adequately rewarded for their labours and not given a fair price for their crop under the monopoly. They had to leave their profession and their fields. Their plight has been graphically described in the contemporary English factory correspondence. An Agra-Surat letter of Nov. 12, 1633, referred to "the clamour of the people dependent on the cultivation of indigo, roused by the loss of their means of livelihood; for many of the cultivators](being in general a resolute harebrained folk) have already rooted up their plants".[13] In his letter from Swally to the Company (Jan. 31, 1634), Captain Richard Allnutt aboard the *Palsgrave* wrote that the monopoly would have ruined the areas producing indigo. As the king took it from the manurers (i. e. cultivators) at his own price and paid them at his own pleasure, the cultivators could not afford to "manure" (i. e. cultivate) the land. Many were "forced to leave the country and run away to some other place".[14] Production was thus curtailed, and prices tended to soar up.

(b) *Farming of Cultivation*

To meet the shortage of cultivation, caused by the flight of the regular indigo producers, the Emperor took recourse to farming of culti-

12. EF. 1630 33, pp. 324-325.
13. EF. 1630-33, p. 325.
14. EF. 1634 36, p. 7; vide Freyer's *New Account*, 67; Moreland, *op. cit*. 191.

vation. A proposal came to the English "to farm the indigo area themselves on the same terms" as 'Munnoardas' (Manohar Das). But the alien English factors themselves did not venture on this scheme on account of various difficulties; fear of official exactions, uncertainty of production and impossibility of adopting coercive measures against the peasants. (i) They feared that indigo farming by the English would "certainly be a pretext for exaction". (ii) Uncertainty of production : "in these parts one cannot expect next year half the quantity produced this year". (iii) They were afraid of adopting strong measures against the cultivators. As they wrote, "whatever authority the king may give, it would be impossible for them to deal as rigorously with the people as their fellow countrymen can".[15] Perhaps it was then after the English declined, that the Emperor farmed out the land to one of his nobles, "Meir Jombelo", a Persian—i. e. Mir Muhammad Amin, Mir Jumla, Shahristani, then *Khan-i-Saman*. If we believe Methwold, Surat President, though Manohardas was the "prime monopolist", it was Mir Jumla, "High Steward to the King", "who was principally engaged in the project; who did not only cherish but hatch it for his own advantage, because the year before, he had sent for his own account 1200 fardles of indigo into Persia overland. The latter agreed on condition that if the Dutch and the English desisted from purchasing the indigo at his price consecutively for two or three years, the Emperor would bear the loss himself.[16]

(c) ***Prices***

To understand how the monopoly affected prices, it is necessary to know the standard price of indigo. Moreland, after a careful examination of available data (1609-63) has concluded that the standard price of indigo in Gujrat was Rs. 18, notwithstanding natural fluctuations.[17] He has not made a similar analysis with regard to its price at Agra and Biana. This was much higher than that of Gujrat. Some references in

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15. EF. 1630-33, p. 325.
16. Capt. Allnutt at Swally to the Co., Jan. 31, 1634; EF. 1634-36, pp. 7-8, Surat to Co. (Dec. 29, 1634); EF. 1634-36, p. 72.

    A Sayyid of Ispahan, Mir Muhammad Amin was entitled Mir Jumla under Md, Quli Qutb Shah of Golkunda. He subsequently went back to Persia, but returned to become *Mir-i-Saman* under Jahangir (1620). He was appointed *Mir Bakhshi* (1635) with further honours under Shah Jahan. Died, Aug. 22, 1637. M. U. III, 413-8 ; Eng. Tr. II, 117-121.
17. Moreland, *From Akbar to Aurangzeb*,

the English factory correspondence in 1624 and 1630 show that, generally speaking, Biana indigo was about three times as dear as that of Sarkhej.[18] But there were variations.

The monopoly at once raised the prices, both in the Agra-Biana and Sarkhej areas. The total yearly production of Agra and its neighbourhood[19] was then estimated at about 15,000 maunds, out of which the Biana indigo formed about one-third i. e. 500 mds. So the contractor could easily force up the price, especially because the English and the Dutch usually purchased only the Biana variety. Though the indigo produced on the other side of the river (Koria, Koil and Jalali, all in Aligarh *tahsil*) and other places was not "absolutely useless", it could not stand comparison with that at Biana and the usual difference in price between the two was Rs. 5 to 6 a md. The Agra factors could not recommend the purchase of indigo at the high monopoly price of Rs. 50/- a md. But they apprehended that the Dutch might 'steal a march on the English' (i. e. make purchases) and so asked the Surat factors to take care to prevent such a contingency.[20]

In November, 1633, the prices agreed to by the English and Dutch were—

Biana indigo (old),	Rs. 42	per Akbari per md. (50 lb)
„ „ (new),	Rs. 38	
Sarkhej indigo,	Rs. 16-18	per Surat md.

The monopoly prices for the two varieties were Rs. 61 and Rs. 27 respectively. In 1634 the English procured from Agra 543 bales of Biana indigo at Rs. 61 a md. This not only exhausted the entire cash remitted there by exchange, the entire proceeds of the sale of quicksilver and broadcloth but also caused the Agra factors to charge Rs. 33,000 upon Surat by two bills of exchange at a loss of 8⅝ per cent. Adding the cost of carvans and customs to it, the Surat factors informed the Company (Dec. 29, 1634) that "the amount of a good ship's lading was contracted into a few fardles of Biana indigo" (the sort which you forbid,

18. EF. 1624-29, p. 38 ; EF. 1630-33, p. 5.

19. In Agra-Surat letter (Nov. 12, 1633) the word "whole of Hindustan" is used. This evidently seems all exaggeration but Foster rightly interprets it to mean the restricted area of the province of Agra and neighbourhood. EF. 1630-33, p. 325 n.

20. Agra to Surat (Nov. 12, 1633). EF. 1630-33, pp. 324-25.

or at least restrain into a small proportion)". They could only hold out hopes for a better future. They also hoped that in 1635 Sarkhej would furnish "good plenty of excellent good indigo" made this season. That of 1633 was "both little and bad". The contractor bought the greatest part at Rs. 18½ a md.[21]

By the end of Dec. 1634, the Surat President expected a fall in the price of indigo, for it was said that "Sarkhej and neighbourhood have this year yielded not less than 9000 mds., while 'the occasions of this country never required less, in regard of the little cloth made and dyed in these parts'. He has referred to Dutch competition to be the only disturbing factor.[22]

(d) Effect on the European Companies.

By causing the flight of peasants and consequent decline in production and rise in prices the monopoly introduced an element of uncertainty into the trade, which affected the trade of the European companies adversely. The future became wholly uncertain. But the English factors anticipated nothing but a huge useless waste, "what with king's miserableness, the Governor's baseness and the cunning projects of the Dutch...unless the trade grows better when the country is more populated" (i. e. with the return of the cultivators).[23]

Referring to the worsened position of the indigo trade as a result of the monopoly, the Agra factors suggested to the Surat authorities (Nov. 12, 1633) that "the best course would be to covenant with the Dutch to make no purchases during the current year..."[24] In the face of the common danger, the English and the Dutch at Surat should put their heads together to device a remedy. They could make an agreement for joint abstention from purchase of indigo. This suspension of their indigo investments would mean loss of customs at Surat. The Governor of Surat would then soon feel the pinch in the loss of this revenues and thereby remedy matters.[25]

The complaint of the Agra factors about the Emperor's "continued resolve to monopolize all indigo" and the apparent unlikelihood

21. EF. 1634-36, p. 70.
22. *Ibid.*, p. 73.
23. Capt. Allnutt at Swally to the Co. Jan. 31, 1634. EF. 1634-36, pp. 7-8.
24. EF. 1630-33, 324-325.
25. *Ibid.*, p. 325.

of their purchasing indigo at the usual prices were discussed at a consultation by the President and Council at Surat (Nov. 12, 1633).

The point raised therein was "whether it would not be beneficial to the company to contract with the Dutch nation (according to their Governors later proffer) for devising some course, if possible, to draw down the price", Doubts were expressed about the reliability of the Dutch promises. But finally it was decided to hold a conference with the Dutch "to project and agree upon the best way that may offer the usual benefit of the indigo trade equally and indifferently to the fruition of both companies".[26]

The conference resulted in a draft agreement—

First, both the Dutch and the English agreed to refrain from buying indigo for the ensuing year (i. e. 1634) anywhere in the Empire except at agreed prices. The English suggested and the Dutch accepted the following tariff :

Biana indigo (old)	—Rs. 42	per Akbari md. (50 lb.)
—do— (new)	—Rs. 38	per Akbari md. (50 lb.)
Sarkhej indigo	—Rs. 16-18 per Surat md.	

Apprehensions were expressed about the effect of not purchasing a staple commodity like indigo for a year on the Company's investment. After discussion it was finally accepted by English—

(i) The entire funds available for investment would not suffice to pay the debts at Surat (£ 100,000).

(ii) The Company, having learnt of the sad predicament of India for investment purposes, was not expected to send a large sum.

(iii) Even without indigo, adequate cargo for lading the Company's ship would be available viz. silk from Persia, goods from Agra and from Sumatra.

(iv) Distracted by the spectre of indebtedness, the Company had forbidden improvident loans beyond £ 20,000. The money saved by abstinence would go to clear the loans.

(v) Accumulated stocks of indigo in England required 'a breathing time for its profitable vend'.

26 *Ibid.*, p. 324.

Thus far from hampering the Company's business one year's abstention might go a long way to weaken the monopoly.

Second, the Anglo-Dutch contract must be kept a secret. The factors of the two companies, buying indigo at or under such prices must outwardly evince mutual strife and competition to disguise their co-operative effort.

Third, the two companies were to eqully divide the indigo so obtained at the port and bear the charges of transport. If the amount due was not paid to the purchaser within 20 days of the arrival of indigo at Swally Marine, the whole parcel would belong to the purchasing company.

Fourth, during the period of the contract neither Company shall carry any indigo in their ships for the 'Moors' or others. This was considered very necessary. To make it binding on the Dutch a fine of £ 5,000 was to be imposed for infringement by either party.

The Dutch assured the inviolability of the contract made. One month's notice was to be given of the termination of the contract. At the end of 11 months each side was to inform the other about its continuance or abrogation.

The draft agreement was approved by the Dutch and English Councils except that an oath was substituted for the fine. [27]

By the 'solemn contract' of Nov. 19, 1633, the English and the Dutch at Surat agreed not to buy indigo priced above a certain level. But the contract miscarried. According to Sir William Foster the prospect of defeating the monopoly by means of this joint abstention was for a time upset by some unfortunate proceedings on the part of the English and the Dutch factors at Agra. With due respect to him it is to be stated that the Agra factors of both the nations, in making purchases of indigo in the local market, were acting in ignorance, of the Surat agreement. That they should have shown greater discretion in buying indigo at an unheard-of-price is a different matter.

As far as the Dutch were concerned, the chief of their Agra factory, while still unaware of the Surat agreement, made an improvident

27. Surat consultations, Nov. 15 and 18, 1633. *Ibid.*, pp, 327-28.

purchase of a large quantity of Biana indigo (1500 fardles or 6000 mds.) at Rs. 61 a md., costing Rs. 3,66,000/- from the monopolist. Aware of the transaction the Dutch authorities at Surat informed the English council of it with 'some show of sorrow', explaining that the purchase had been made on the strength of some earlier orders. According to the terms of the agreement the Dutch offered the English an opportunity to share in the bargain i.e. half of the amount (i. e. 3,000 mds.). But Methwold, the English President and Council at Surat, declined the offer in view of (i) the high price of indigo, (ii) their own lack of funds, (iii) the Company's injunctions not to borrow at interest (unless there was a prospect of early repayment from sale proceeds of English goods) and (iv) the quantity of indigo already sent or being sent home. Moreover, having themselves broken the main article in the contract, the Dutch agreed (Jan. 9/19, 1634) to the English demand of the abrogation of the twelfth clause i. e. release from the obligation not to ship indigo for native traders (to Persia).[28] The Dutch also undertook to direct their Agra factor to annul his bargain, if possible.[29]

While the English factors at Surat did not share with the Dutch, their counterparts at Agra had, without the knowledge and approval of the former, associated themselves with the Dutch contract with monopolist. The Surat-Company correspondence seems to make Agra factors responsible for this and Sir William Foster also considers the latter's action to be unfortunate and improvident. But a careful and critical study of the records would tend to show that the Surat factors were themselves guilty of delay in informing the Agra factors of the Anglo-Dutch contract of Nov. 19, 1633. The latter had no knowledge of this when in their letter of December, 9, 1633 (received at Surat in Feb. 1634) they dilated on "the great inconvenience caused to the indigo trade by the Dutch contract with the monopolist". William Fremlen, the Chief of the English factory at Agra, seemed to have acted in good faith and for procuring investments in season, contracted with the Dutch to take one-third of the quantity purchased from the monopolist *bania*, Manohar

28. Surat consultation, Jan. 2, 1634. EF. 1634-36, pp. 1-2, V ; Surat to Co. Jan 2, 1636, EF. 1634-36 p. 141.

29. *Ibid.*, *Hague Transcripts*. Ser. 1, Vol. ix, No. 315 ; *Dagh Register*, 1631-34, pp. 326-27. Sir William Foster thinks that apparently the English "were not altogether sorry to think that their rivals had locked up so much capital in indigo bought at an unheard-of-price."

Das "2000 mds."[30] Of course, the President and Council at Surat had "expressly prohibited" purchase of any indigo "pending the conclusion of the agreement then in course of negotiation with the Dutch at Surat.[31] The date of this prohibition as given in the letter of Surat to the Company (Feb. 21, 1634) is November, 21, 1633. This date is also given at another place in the same letter. But it is not clear why and how on 21st November the agreement, actually concluded two days before on 19th November, was described by the Surat factors as still "pending". Calculating the time taken for transport of Agra-Surat messages to be two months (as shown above) the Surat letter of 21st November, 1633, containing the prohibition was expected to reach Agra in January, 1634. To save their own skin the Surat factors threw the blame on Fremlen and his associates at Agra who were accused of sharing with the Dutch "for reasons unknown to Surat", and expressed their surprise and despair at what Agra had done.

On being asked to explain, the Agra factors admitted "the unfortunate result" of sharing with the Dutch but boldly qualified their explanation by saying that their "error" was due to order from Surat. The latter, however, could not possibly accept this position.[32]

This account could not be reconciled with the version of the servant of the English at Surat returning from Agra. According to the latter, Fremlen made the purchase improvidently, much against the advice of the English broker, of 3000 (Akbari) mds. of Biana indigo at Rs. 64/- a md.,—the prime cost being Rs. 62, and the charge of collection from the place of production being Rs. 2 a md. Assuming the quantity purchased to be 2000 mds., the total cost would be Rs. 1,28,000/-[33] besides the cost of carriage to Surat, the uncertainty[34] of its arrival in time before shipping next year, and the interest charges. The Surat authorities felt "so much damaged by this bargain" that they "disclaimed and disavowed it, so far as monetary assistance from Surat is concerned". However, indignant they might be they could

30. The Surat authorities disclaimed all knowledge and responsibility in the matter, except that learnt from "the joint subscription signed by William Fremlen and Salomon Voorknekt.
31. Surat to Co. Feb. 21, 1634. EF. 1634-36, p. 12.
32. Surat to Co. (Dec. 29, 1634). EF. 1634-36, p. 70.
33. Reckoning Re. 1/- =2s. 3d., this would amount to £ 14, 400.
34. Due to the Emperor's journey to Kashmir, for which all camels were requisitioned.

hardly repudiate the bargain. They had to make the best of the bad situation. Allowing the Agra factors to make payment from their own funds, the Surat authorities severely censured Fremlen's action, disolved the Agra factory, recalled their men therefrom, till "our joint resolution reduced the price of indigo to some more reasonable conditions".[35]

The Surat Council commented that all their action were "crossed (i. e. nullified) by the proceedings of the Dutch" and that "their inconsiderate act—quite frustrated the possibility of reducing that commodity this year to the desired pitch".[36] Even Sir William Foster says that the hopes of breaking the monopoly were dissipated. Nevertheless the effect of the Anglo-Dutch joint purchase of indigo at the unheard of monopoly price must not be exaggerated. It was a mere episode whose effect was temporary.

At the beginning of 1634 the Anglo-Dutch agreement regarding abstention from the purchase of indigo, coupled with the indebtedness of the English and the small demand for the imported goods, the dearness of calicoes, rendered the task of finding a suitable cargo for the England-bound *Mary* difficult for the Surat President. In February 1634 it was laden chiefly with the indigo and saltpetre purchased at Agra long before the agreement.[37]

Shipments of indigo to England so dwindled by end of December, 1634, that Methwold wrote to the Company (Dec. 29, 1634) in a bitter mood, contrasting the earlier period of open trade with the present one of monopoly. "For indigo, 'which you esteem the prime or principal commodity of all others' they can only say that in the little which you will receive now, you will receive too much......" The future was uncertain. He could not forsee where a larger quantity would be available at "such prices and such proportions" as required by the Company. This was because they were not dealing with merchants ('whose profit or occasions will induce them to sell as they see good') but they had "to struggle with monopolists that are backed from the treasury of one of the richest monarchs in the world".[38]

35. Surat to Co. (Feb. 21, 1634). EF. 1634-36, pp. 11-13, V. Clearly this indicated the primacy of indigo trade. Without it, it was considered to be unnecessary expense to continue the Agra Factory, though cloth investment and sale of quick-silver were there.

36. EF. 1634-36, pp. 1-2, V, 141.

37. *Ibid.*, V.

38. Surat to Co. (Dec. 29, 1634) EF. 1634-36, p. 70.

The indigo monopoly and the lack of funds acted as a damper on the English trade. The Surat President wrote to the Company (Jan. 19, 1635) that if by October, the monopoly was not dissolved and suitable funds were not forthcoming, it would be impossible to send a big ship i. e. with adequate goods.[39]

4. Failure of the Monopoly

The Imperial monopoly in indigo lasted for about a year. Signs of its likely impending dissolution were evident at the end of 1634. If President Methwold is believed, it was "the opinion of all men that the monopoly had failed in the first year of its erection", and the best antidote to it was Anglo-Dutch "abstinence" punctiliously observed.[40] In fact English factory records do not attribute the failure to the decline of cultivation under indigo. Evedently it may be assumed that the farmer, Mir Jumla, was successful in producing indigo with conscript labour or improvised cultivators or any other resources at his disposal. The failure was the result of the joint Anglo-Dutch contract of abstinence from purchase. The Governor of Surat, apprehensive of the falling revenues of his port, petitioned to the Emperor to restore freedom of trade in indigo. The Surat letter of Dec. 29, 1634, tells us that Muizzul mulk "subtly" foresaw the ruin of the entire English trade, depending wholly upon indigo (which was denied to the English), and also the ruin of his port, if the English withdraw from there. So he became "the greatest solicitor" before the king for a "total inlargement or some such relaxation at least" so far as the English and the Dutch were concerned.[41]

Being this moved, the emperor sent three *farmans*,—to the Governor of Surat, the English and the Dutch,—all to the same effect. The English and the Dutch were asked to make an agreement with the Governor of Surat for getting their requirements of indigo at Agra (without paying any charge to others). But neither of the two European nations was satisfied. Their grounds of objection were mainly three :

(i) The proposal to buy indigo at such a distance was "most unreasonable" ; even "the best survey and trial thereof"

39. *Ibid.*, p. 97.
40. Surat to Co. (Dec. 29, 16?4); *Ibid.*, p. 70, VII.
41. *Ibid.*; pp. 70-1.

was generally inadequate to satisfy the Company as regards the quality.

(ii) Every village yielded different varieties of indigo in considerable amounts. A general agreement regarding the total amount would, in practice, lead to much carelessness and adulteration (stones or dirt coloured blue) in supplying the contract.

(iii) No redress would be possible, "because the king would be a party."

So both the English and the Dutch declined to agree to "such a form of trade". Even the Governor of Surat also appreciated the equity of these objections and again referred the matter to the Emperor. But as he was then on his way to Kashmir[42] any decision was bound to be delayed.

The Dutch and the English then represented their case before Asaf Khan,[43] the Vakil and Afzal Khan,[44] the *Dewan-i-Kul*, "two of the most eminent and powerful noblemen about the king". The main points of their representation were—

(i) they had enjoyed the liberty of free merchants for almost thirty years under Shahjahan and Jahangir;

(ii) they had been permitted in all places to trade with all merchants for all articles, and so

(iii) to them might be restored the freedom of trade in indigo, "the sole merchandize now remaining in......his dominions which we could return for our country";

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42. Surat to Co. (Dec. 29, 1634); *Ibid.*, pp. 69-71.

43. Asaf Khan (Asaf Jahi) was originally M. Abul Hasan, son of Itimad-ud-daula and elder brother of Nurjahan and father-in-law of Prince Khurram. He received the title of Asaf Khan in the 9th year of Jahangir's reign (1613-14). He was entitled *Yamin-ud-daula* and appointed Vakil by Shahjahan (1628). M. U. Text. I. 151-160 ; Eng. Tr. I. 287-295.

Mir Musa and Asaf Khan were "deadly enemies". EF. 1634-36, p. 262.

44. Afzal Khan 'Allami was originally Shukrullah Shirazi. He was attached to Prince Khurram as his secretary and confidant. After the peace with Rana of Udaipur he was made the Prince's diwan and later given the title of Afzal Khan by Jahangir. Under Shahjahan he was appointed *Mir-i-Saman* and then *Diwan-i-kul* (Chief Diwan) (1628-9). He died in January 1639, at Lahore. M. U. Text I. 145-51 ; Eng. Tr. I, 149-153; EF. 1618-21. p. 36 n.

(iv) otherwise, they might have to leave the country, in search of a more profitable trade.[45]

In making this representation they were encouraged by the advice that though Manohar Das was the chief monopolist in name, it was Mir Jumla (Mir Muhammad Amin) who was the principal actor. Mir Musa and Asaf Khan were sworn rivals.

Mir Jumla and Asaf Khan also belong to different court factions. So the latter would be interested in pushing the case of the European merchants, if only to oppose his rivals.[46]

In fact the intervention of Asaf Khan proved to be highly effective. The Emperor soon issued another farman "releasing the indigo unto the accustomed liberty". The Governor of Surat went into raptures over it and calling the English to the Shahbundar's house, assured them that as the farman bore the Emperor's writing in the margin, the indigo trade would return to its "pristine condition". But the English, aware of the Emperor's cupidity, were sceptical and uncertain of the issue.[47]

A few days after the issue of the imperial *Farman*, the Anglo-Dutch contract expired in November, 1634. However, it was scrupulously observed by both sides till its end. Both the companies favoured its continuance. But the Dutch Director General hesitated to consent in the absence of definite orders from their authorities. Nevertheless he promised that they would not purchase any indigo at such unreasonable prices without special directions. The Dutch seemed to be serious about it; they dissolved all their factories except Surat; even at Surat, in place of the Director Genaral there was only a Chief Merchant together with 7 or 8 persons; they diverted their money and goods to Persia; they publicly declared that though silk purchased with ready money yielded no profit, it was more profitable than trade in Surat.[48]

If the Dutch diverted their trade from Surat to Persia, the President of the English factory at Surat also decided to proceed to Goa without taking leave from the Governor of Surat with as many members

45. Surat to Co, (Dec. 29, 1634); EF. 1634-36. pp. 71-72.
46. *Ibid.*,
47. *Ibid.*, 72.
48. Surat to Co. (Dec. 29, 1634); EF. 1634-36, 72-73.

of his Council as possible. But he endeavoured to assure the Governor of Surat, who was evidently perturbed that they were not escaping. The Governor thought of the unkindness of the English, attributing their action to their discontent at the indigo monopoly. So he laboured hard to impress upon the English that it was totally abandoned. Finally he wished the English to return to Surat.[49]

On 14th April, 1635, the English received the imperial *farman*, dissolving the indigo monopoly. Its sale became once again open to all.[50]

The dissolution of the monopoly was not immediately followed by fall in prices. High prices lingered still. While old Biana indigo sold at not less than Rs. 50 or 48 per md. the new one at Rs. 40-42. So the English merchants were not encouraged to invest money in it especially as it would be many months before they could send a ship to England. The Surat authorities "awaited both means and instructions from the company, relying upon getting Sarkhej indigo, which was better esteemed, more easily obtained, and cheaper in price". However small quantities of indigo were purchased by Armenians and other merchants for overland transport to Persia, where as report went, it fetched a high price (in 1634) 200 laris the Surat md. Later in 1635 the English made some purchases at Ahmadabad and Agra, But these were characterised by unfriendly rivalry, because their object was to interfere with the Dutch investments [51]

On Feb. 22, 1636, the Dutch and the English merchants and Surat were summoned by the Governor to the port (*bandar*) "in a full company of the Moors", to hear the contents of two royal *farmans*—

(a) The first repeated that indigo trade was open to all comers; it contained " the inlargement of the trade of the indigo, which no man should persume to monopolize or to impose any exactions thereupon, but that it may be brought (sie) and sold by every man according to his several occasion".[52]

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49. Surat to Co. (Jan. 19, 1635), *Ibid*, p. 89.
50. Surat to Co. (Jan. 2, 1636) *Ibid*, p. 138, XI, *Hague Transcripts*, Series i, Vol. X, No. 324 for the *farman*.
51. *Ibid*., pp. 138, 141, 70, XII.
52. Methwold's Diary, 1636, EF. 1634-37, p. 157, XVI; Surat to Ahmadabad, *Ibid*, pp. 172-173. Date confirmed by Dutch records.

According to Dutch sources this farman was issued as a result of complaints made by the Dutch regarding a recent attempt of Saif Khan to monopolize the stock of indigo in his dlstrict.[53]

(b) The second *farman* ordered that—

(i) Dutch and the English must always keep a deposit of Rs. 12 lakhs at Surat,[54]

(ii) the principals of both nations must always remain in Surat and must not go abroad their ships at any time ;

(iii) the English and the Dutch must not resort to any other ports in the Mughal Empire ;

(iv) on arrival, their ships must not ride in any other place except Swally Hole (Swally Marine), where it shall not be lawful for them to build any frigates.

The second *farman* evoked strong protests from the English and the Dutch alike. President Methwold characterised some of its terms as "ridiculous stuff" which he could not remember". In his diary he mentions that even the Governor was "so much ashamed as to deny the copy" which he demanded. On behalf on the English nation Methwold "utterly rejected the conditions" and refused to accept any one and "submit to so much slavery". He writes further, "I proferred my self a free man and subject to the King of England, no slave to this, nor liable to those commands which shall oppose our former privileges ; and therefore I required a contradiction to this *firman* or leave to depart the country To conclude there passed much dispute, with some anger and threatening words, on both sides, which the Shahbandar endeavoured to qualify by pretending unto me privately that nothing there was intended, but that it was only formality procured by this Governor from the king for the benefit of his post". This is corroborated by the Dutch records.[55] When the Dutch also complained to the Governor about this "absurd farman through the Sahbandar, Mirza Mahmud, and the King's Commissary they got the reply that " it was not meant to interfere with the Dutch,

53. *Hague Transcripts*, Ser. i, Vol. X, No. 328. Pieterszoon's account of the transactions, see EF. 1634-36, 157 n.

54 Methwold's Diary, 1636 ; EF. 1634-36, p. 157, XVI.

55. *Ibid.*, 157-8, Pieterszoon Continues "Hereupon the President (Methwold) inveighed not a little against the Governor". *Ibid.*, 157n.

but to restrain the English, who had taken to frequenting the Portuguese settlements with their small vessels and were planning to use them in fetching goods by water from Broach and Cambay, which would injure the customs revenue of Surat. The answer, however, did not reconcile the Dutch to the other restrictions mentioned in the *farman* , but no attempt was made to enforce them".[56]

The Surat factors decided to 'send some person of quality' to the Emperor to remonstrate against the *farman* for imposing several restraints on the English, which were tantamount to 'conditions of captivity'. But they were discreet enought to temporize till their goods were earmarked for England and thereafter they would 'sue for redress above or enforce it hereabouts', together with the Dutch, who were also indignant.[57]

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56. Pieterszoon's account as quoted in EF. 1634-36. 157 n.
57. Surat to Ahmadabad, Feb. 27, 1636, *Ibid*., 172-173.